

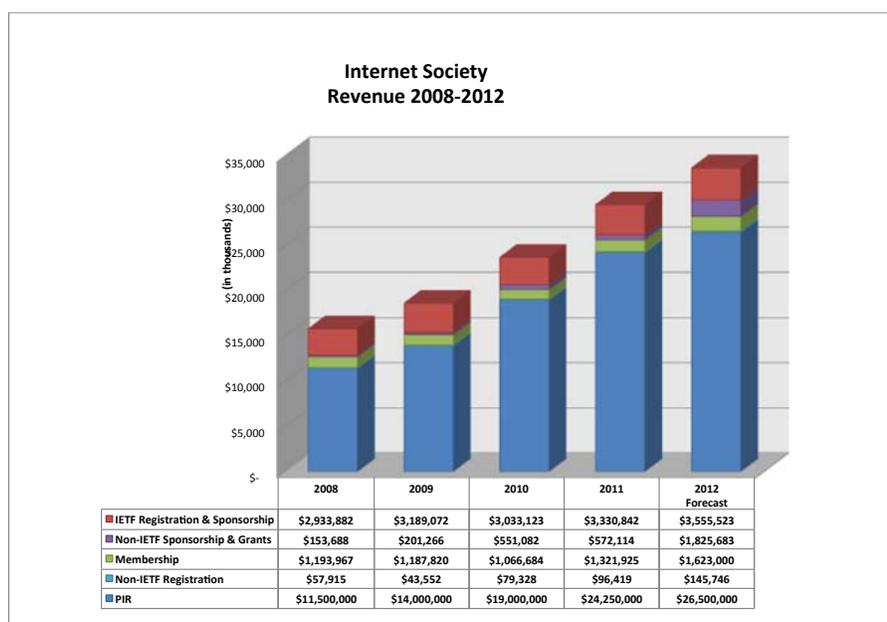
### Q3 2012 President and CEO Report and 2012 Financial Forecast

The 2012 Business Plan set forth challenging objectives for the organization spanning all areas of operations. Our objectives spanned a range of programmes aimed at accelerating our global influence and local reach, as well as aggressive financial targets to further diversify our revenue base. In short, we expect 2012 to deliver our most exciting year on record.

The dashboard at the end of this document provides a snapshot of our progress on Key Resource & Effectiveness and Programmatic Goals for 2012. As we end Q3, we are pleased to report that the Internet Society is on track to reach our ambitious goals, with limited variations to plan at this time.

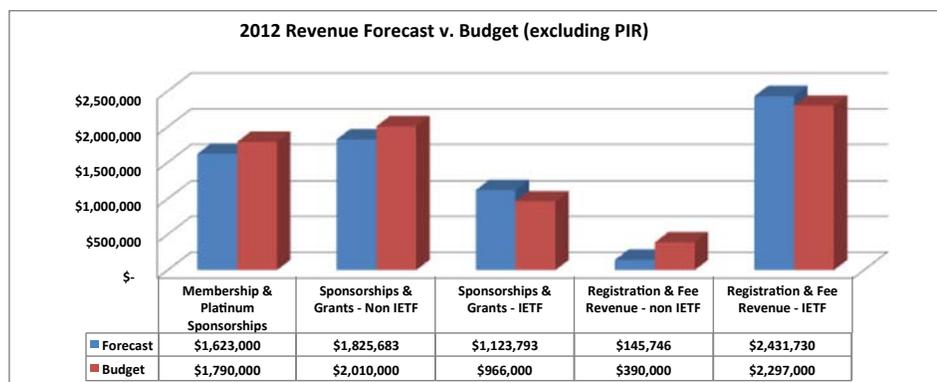
#### Summary Report:

- **ISOC-Driven Revenue:** We are on track to achieve \$7.1M, or 96%, of our very aggressive \$7.4M goal for overall ISOC-Driven Revenue in 2012. This represents an increase of 34% over 2011 levels – the largest year-on-year increase in ISOC-Driven revenue ever. Nonetheless, we are striving to achieve 100% by the end of the year.



- We are, however, anticipating some year-end variance in our revenue mix:
  - We forecast our combined Individual and Organisational Membership revenue goal of \$1.8M to achieve \$1.62M. Of this, we are forecasting 91% achievement of our Organizational Membership revenue goal of \$1.7M. As signaled previously the 31% increase planned for Org Membership revenue remains a stretch due to the accrual revenue recognition rules for Org Memberships. We continue to strive for the full goal, and we have built a very strong pipeline of members, while membership engagement continues to grow. We have also reduced our forecast for Individual Member revenue, although a campaign centering on the Campus Party and other youth groups is underway and again we are striving to make this goal. Other revenue items (Sponsorships, Grants, Registration Fees) remain largely unchanged.
  - We forecast that we will exceed our IETF Sponsorships and Grants goal of \$.96M by 16%, for a forecasted total of \$1.1M revenue in this category. This reflects success in both traditional sponsorship opportunities, as well as new approaches, including the “Bits and Bytes” event. IETF registration and Fee Revenue is also poised to outperform expectations by over \$100K.
  - Registration and Fee Revenue will continue to be lower due to lower than expected registration revenue for the Global INET.
  - We forecast achieving \$1.83M of our aggressive goal of \$2M in Non-IETF Grants and Sponsorships, for a 92% achievement rate. As such, we are set to achieve 220% growth in this revenue category over 2011, representing an exceptional achievement for the organization. We note that we are set to achieve this level of revenue despite a \$150K shortfall in budgeted sponsorships for Global INET. While Deploy360 revenues are growing slower than expected, we are very encouraged with the growing traction and interest from potential

financial sponsors. On the plus side, sponsorships and grants for our Interconnection and Traffic Exchange (ITE) work in developing countries will exceed expectations, including garnering over \$100K in sponsorship for the African Peering and Interconnection Forum (AfPIF) and a recent award of \$677K over two years for IXP capacity building in Africa. We are also building a growing pipeline for grants and sponsorships across key programmes – and have several opportunities with high prospects for Q4.



- **Expenses:** For the whole of 2012, organizational expenses are forecast to be slightly below the budget (\$33.8M vs \$34.6M). The largest contributor will be personnel-related expenses forecast to be \$700K below Budget. As such we are currently projecting an Unrestricted Net Operating Surplus of \$473K (before interest income) exceeding our 2012 goal by some \$122k.
- **Individual Members:** We expect to achieve a net increase of some 40,000 individual members in 2012. We are likely to revise downward our 2012 year-end target figure as the starting base of individual members appears overstated. This is being reviewed and more information will be provided once the evaluation is complete.
- **Chapter Letters of Affiliation:** Our goal to achieve 100% of Chapters with ISOC Letters of Affiliation is on hold to avoid a conflict with the ongoing by-law discussion. Nevertheless, we are prepared to proceed with this effort following adoption of the amended by-laws.

#### Additional Detail

Please find below the dashboard pages that outline the progress on our goals for Q3. The performance indicators at the right are forecasting full-year performance and the sub-bullets enumerate key indicators of accomplishment for the third quarter. These are pulled directly from our 2012 Business Plan and are categorized as follows:

- Resource and Effectiveness Goals
- Programmatic Objectives and Goals

#### 2012 Financial Forecast

The prior 2012 Forecast, presented in the CEO report at the AGM in Vancouver, was based on May 2012 actual results plus management expectations for the remainder of the year. In preparing the 2013 Budget (as part of the 2013-2015 Business Plan) we updated our 2012 forecast. In addition to the highlights presented above, the full 2012 forecast and statement of activities appears after the dashboard. Further detail can also be found in the 2013-2015 Business Plan.

#### Summary:

ISOC continues to make significant strides. We are forecasting our biggest year ever in terms of programmatic impact, membership and partnership outreach, as well as ISOC-driven revenue. All this is enabling ISOC to more fully meet its Mission and take significant steps to impact critical developments for the well being of the global Internet.

Lynn St. Amour  
President & CEO

## Q3 President and CEO Report Performance Dashboard

### Tracking our Performance – Q3: Key Resource and Effectiveness Goals Financial

Year-End  
Projection

#### Increase ISOC-Driven revenue to US \$7.4 million (memberships, sponsorships and grants) – a 37% increase over 2011

- *The revised forecast projects total ISOC-driven revenue for 2012 will be \$7.1M or about 96% of the revenue target. Most of the shortfall is related to lower Global INET registration fees and Organizational Membership revenues.*



#### Increase sponsorship and grant contributions (excl. IETF meeting sponsorships) to US \$2.0M in revenue – in excess of 250% growth over 2011.

- *Total non-IETF sponsorship and grant revenue is forecasted to be \$1.83M, or 92% of the revenue target, with additional funds already in house but not recognizable in 2012.*
- *We expect to exceed the grant revenue target, highlighted by successes in Grants for AXIS (\$667K USD for two years, \$169K recognized this year) and Latin America projects, plus a new award for Internet Marketing activities.*
- *Projected sponsorship revenue is expected to fall short due to a shortfall in Global INET sponsorships and slower take-up by program sponsors for Deploy 360 and IL programs. At the same time, however, we over performed in sponsorship for AfPIF-3 and NDSS.*
- *We have developed a strong pipeline of opportunities for grant and sponsorship revenue for 2013.*



#### Manage ISOC expenses within budget, resulting in an unrestricted Net Operating Surplus of \$350,000

- *Due to lower staff costs, a favorable USD exchange rate, and savings in programme areas, we anticipate total expenses to come in below budget for 2012, resulting in a year-end favorable Net Operating Surplus and more than making up for any revenue shortfalls.*



#### Secure US \$0.96M in IETF meeting host and other sponsorships

- *Year-end forecast anticipates achieving \$1.1M revenue in this category, exceeding target by over 16%. The budget represented caution in obtaining full sponsorship for IETF 83 in Paris.*



#### Establish an Internet Standards endowment and secure \$2M in endowment anchor funds

- *Open Internet Endowment had its “family” launch at IETF 84 in Vancouver this July where it was introduced to the IETF community first before a more public announcement. 110 people gave/pledged over \$28,000 at the “family” launch.*
- *The Endowment messaging is nearing completion (e.g., what it will fund beyond the IETF) and initial prospective donors are being cultivated.*



## Human Resources

Year-End  
Projection

### **Achieve significant improvement in key areas of the ISOC's staff survey (as measured by the average of positive answers exceeding 80%)**

- *Volunteer staff "FOCUS" group (Forum for Organizational Communications Understanding & Solutions) continues to develop recommendations in the areas of improving a. cross organizational understanding; b. work-life balance; c. empowerment in decision making; d. clear communications; e. embedding a clear sense of business priorities and purpose. Initial output from staff FOCUS teams was delivered in August and is under review by the Senior Team.*
- *Currently preparing for the second Staff Survey, to be launched in October and completed by year-end.*



## Membership

### **Demonstrate ISOC's value to its membership community by achieving a combined membership revenue of US \$1.8M from organizational and individual members – a 30% increase over 2011**

- *Organization Membership forecast is strong and growing, Revenues are expected to be 1.55M, or 91% of the \$1.70 target.*
- *Individual membership is expected to provide \$70,000 or 77% of the 2012 target.*
- *The combined revenue forecast of \$1.62M is 91% of the 2012 target.*



### **Demonstrate ISOC's values to new and continuing organisational members by obtaining 40 new organisational memberships in 2012 and retaining 95% of current organisational members**

- *By August 31, 14 new members and three upgrades had been achieved. The Forecast identifies an additional 19 new members and two additional upgrades before the end of the year, projecting at least a 92% target achievement.*
- *Current retention rate of 95% is expected to last through the end of the year and is 100% of the 2012 target.*



### **Broaden ISOC's base of individual members by doubling individual membership numbers to 120,000**

- *Current joint marketing efforts underway with Campus Party to outreach to 100,000 members, and with Girl Geeks to explore joint membership & activities. Additional outreach and end-of-year donation campaigns planned Q4.*
- *Updating business rules to assure membership best practices and campaign support by tools and systems.*
- *New members are expected to number less than 38,000. However, our systems will be updated to reflect better counting of current members. This addition of new members equates to more than double the actual membership at the beginning of 2012.*



## Chapters

Year-End  
Projection

### **Grow ISOC's global reach by increasing the number of contributing and engaged ISOC chapters by 20%**

- *In the Asia Pacific Region, Japan and Pakistan Islamabad Chapters have been rejuvenated. Korea is in rejuvenation. Elections in Philippines, Thailand, Malaysia.*
- *In Europe, following meetings with Switzerland, Germany, Spain, France, Italy, Estonia, Sweden, and Azerbaijan, a number of chapters were rejuvenated including Switzerland and Spain, and the Estonian chapter was created. Efforts toward the creation of Chapters in Russia, Azerbaijan, Ukraine and Turkey continue.*
- *In Africa, rejuvenation of Niger chapter. Kenya chapter has been established. It took more than 7 years for the Internet community to establish the chapter. Strong interest from Zimbabwe.*

### **Grow mutual commitment and responsibility between ISOC and its chapters as demonstrated by achieving 100% with ISOC Letters of Affiliation**

- *The Letter of Affiliation is temporarily on hold pending the outcome of the by-law revision process.*

On Hold

## Tracking our Performance: Q3 Achievements on Programmatic Goals – Objective A

### **Objective A: Fostering an open, innovative, and trusted Internet worldwide**

#### **A1: Accelerate the deployment of key Internet technologies and IETF standards**

- *DNSSEC awareness has been raised around the globe – the Hong Kong Chapter ran a well-attended event on DNSSEC: <http://www.isoc.hk/2012/08/dnssecasia-summit-2012-aug-29---31.html> and staff from the Deployment and Operationalization area are actively reaching out to TLD operators at ION Conferences and other organized events. Staff have recently presented at events with ccTLD operator participants in Columbia, Montenegro, and other locations.*
- *We continue to leverage the success of World IPv6 Launch to gain audience with and get messages into decision-maker and media hands, contributing to a forum on IPv6 for the Financial Industry under Chatham House rules in Singapore, achieving impactful engagement with policymakers in Europe (meetings and keynotes with EIF, EU Parliament and EU Commission), visibility with European Press & Media (EU media tour in Brussels, Paris, London, Madrid, Stockholm on our WIPv6L=> 50+ press articles in a.o.IHT, WSJ, Reuters, FT, EU Voice, Guardian, Les echos, eWeek, Nouvel Obs, IDG news, Le Soir, Espresso, El Pais, etc.).*
- *We note continued growth of IPv6 uptake in network operators being observed by Google, Facebook, and Yahoo! and reported through us on the World IPv6 Launch measurements website. Pursuing additional efforts to increase deployment in Africa as well as additional efforts to increase deployment in mobile networks (through GSM Association).*

- *Deploy360 Programme continues to grow. Nearing 150 deployment resources (how-to guides, case studies, tutorial links, etc.) and over 200 original blog posts on DNSSEC and IPv6 now available through the Deploy360 site. Since January 1, the Deploy360 site has received over 60,000 visits and over 100,000 page views. Four ION events have been organized (India with Interop, Slovenia with IPv6 Summit, USA with USENIX/LISA, and Brazil with Internet Infrastructure Week). The Programme is on track to add the topic of routing security with the content roadmap for that topic nearly complete.*

Year-End  
Projection

**A2: Advance solutions that protect privacy and identity while safeguarding user choice and global Internet interoperability**

- *Refined the Digital Footprint Workshop materials for broad dissemination. Feedback from Chapters is now being integrated into the toolkit design and development. Toolkit soft launch is on track.*
- *On-going efforts to build a community of practice for web users and developers interested in privacy and identity management supporting the Digital Footprint work.*
- *The US based National Strategy for Identities in Cyberspace (NSTIC) and the recently funded Identity Ecosystem Steering Group have been a major focus in Q3. Staff attended the formative Chicago based meeting in August and are participating in several working groups: standards, governance, international, and privacy. This effort to forge a public/private partnership in order to provide citizen identity is attracting global attention and we are encouraging regional bureau and chapter participation in this project. See: <http://www.idecosystem.org>.*
- *Staff has continued to advance our privacy and data protection agendas in multiple forums, including submitting substantive comments for APEC, OECD, and NSTIC/IDESG documents.*

**A3: Advance implementation of solutions that enhance Internet infrastructure and data security while working to preserve the open, global Internet**

- *ISOC staff members have taken on a co-chair role for the IETF JOSE working group, have submitted a base draft on enabled trust in the IETF and are building an inventory of relevant drafts and working groups as well as underlying trust models.*

**Tracking our Performance: Q3 Achievements on Programmatic Goals – Objective B**

**Objective B: Advancing policies and strategies that strengthen the Internet’s growth and evolution**

**B1: Advance ubiquitous, reliable, and sustainable Internet in developing countries that is on par with the rest of the world**

- *The African Regional Bureau developed a draft ccTLD and DNSSEC program in order to give better direction to ISOC's activities in the areas of ccTLD and DNSSEC. The program aims for 50% of all African ccTLDs that have automated registry systems to have DNSSEC by 2020.*
- *ISOC selected by the African Union (AU) to conduct community mobilization and technical aspects workshops to support the establishment of Internet Exchange Points (IXPs) in AU Member States as part of the African Internet Exchange System (AXIS) project.*
- *Organized 3 highly followed IPv6 Webinars for African network operators in collaboration with France telecom and AfriNIC. The combined number of participants was over 150.*

- *The Third African Peering and Interconnection Forum (AFpif-3) took place 22-24 August in Johannesburg, South Africa. Event was a resounding success, attracting over 200 participants and 15 sponsors.*
- *Succeeded in having the ISOC-UNESCO-OECD study on “Local Content, Internet Development and Access Prices” recognized as an official contribution to the 2012 African Union ICT ministerial meeting.*

Year-End  
Projection

## **B2: Spearhead advocacy for the fundamental principles of the Internet Model and Internet Ecosystem**

- *ISOC continues to be a leading voice in the Internet community with regards to WCIT. ISOC Chapters have been working effectively with national governments, calling for greater transparency, and supporting ISOC’s WCIT messages through national preparatory processes. ISOC pulled together a small working group comprised of experts from across the world to examine proposals regarding Internet connectivity. The resulting analysis “Internet Interconnections: Proposals for New Interconnection Model Comes up Short”, translated into three languages, has been sought out by governments worldwide. ISOC’s messages about the WCIT are having an impact on the global debate.*
- *Following ISOC’s outreach to governments, Business and Civil Society, UNESCO opened up the consultation process for WSIS+10 to all stakeholders and will continue in a multi-stakeholder fashion rolling-out the entire preparatory process.*
- *Participated in the WIPO Diplomatic Conference on the Protection of Audiovisual Performances calling for member states to apply ISOC principles to preserve the Internet and its fundamental characteristics through open, transparent, and inclusive dialogue. Issued a statement on the Trans-Pacific Partnership Agreement (TPPA), calling for more open, transparent and multi-stakeholder negotiating processes. Contributed to the recent EU Parliament rejection of the Anti-Counterfeiting Trade Agreement (ACTA) by raising awareness of its negative impact on the Internet.*

## **B3: Advance the understanding of the value and benefits of open Internet standards to key Internet influencers and increase engagement in open standards processes**

- *Signed affirmation of Modern Paradigm for Global Standards Development (OpenStand), and participated in August 29 launch of OpenStand to promote the principles more broadly and seek endorsement from around the globe.*
- *Organized and contributed to a half day Seminar hosted by CITEC on the Internet Standards Framework on September 10th in El Salvador. Seminar promoted regional awareness of the global Internet standards framework and the diversity of standards organizations that contribute to global interoperability, featuring representatives from IETF, IEEE, and W3C.*
- *Furthered outreach to research and public policy communities to foster direct participation in the IETF: Identified policymakers from Thailand, Papua New Guinea, Philippines, Viet Nam, Tonga for IETF meetings.*
- *Call for nominations for Applied Networking Research Prize 2013 is now open and the deadline for nominations is November 30th.*
- *Held two INETs in Europe (Tallin & Madrid) reaching out to civil society, chapters, policymakers and local press on Open Internet/Standards.*
- *Four ION events have been organized (India with Interop, Slovenia with IPv6 Summit, USA with USENIX/LISA, and Brazil with Internet Infrastructure Week) and will be executed in Q4. The central theme of these events is the use of open Internet standards and the deployment of associated technologies, such as IPv6 and DNSSEC. Attendees of the ION events include a varying mix of Internet technologists, business leaders, educators, and policy makers.*

## Tracking our Performance: Q3 Achievements on Programmatic Goals – Objective C

Year-End  
Projection

### **Objective C: Enabling a vibrant organization and vital global community to advance the Internet's future**

#### **C1: Build a global cadre of future Internet leaders who can skillfully advance complex issues at the intersection of policy, technology, and business**

- *Four concurrent eLearning courses in English (2), French (1) and Spanish (1) for 96 participants nearly complete with an emerging issues segment focused on the WCIT.*
- *On track to exceed target reach to more than 400 individuals by end of 2012, more than 3 times 2011 reach.*
- *Pilot of country-specific Internet leadership programme in LAC progressing to key milestones, 2<sup>nd</sup> proposal to fund for 2013-2015 activities to leverage work accomplished and to take to other countries in region. Partnership discussions also ongoing with university in LAC and other non-profit and higher education organizations, laying foundation for further leadership programme growth.*

#### **C2: Provide the world a trusted independent source for Internet information and thought leadership**

- *Year to date, our media outreach activities have resulted in more than 500 stories in media outlets around the world with 125 of these appearing in Q3. Nearly 150 of the year-to-date total have been items related to WCIT, a key priority of the Internet Society community.*
- *Executed coordinated communications campaign to launch the Open Stand Initiative effort ([www.openstand.org](http://www.openstand.org)). We are now establishing a framework for ongoing coordination, including communications efforts, on this important effort.*
- *The 2012 Global Internet User Survey questionnaire was fielded in 20 countries and all responses were received. Results are being compiled and analyzed with a coordinated campaign to highlight and leverage key findings expected to begin at the end of September and increase throughout October.*
- *With more than 72,000 followers across our social media channels, we have surpassed our objectives for increasing the Internet Society's reach. Website traffic has increased 72%, year-over-year, and is expected to increase further. We have recently earned an expanded Google AdWords Grant with an annual value of 480,000 USD to promote key content on [www.internetsociety.org](http://www.internetsociety.org).*
- *An Open Internet Standards Chapters' tool kit has been developed to include the principles, organizations, processes, and engagement to increase education and awareness around this topic. Toolkit soft launch is on track for late Q3 launch.*
- *Global Messaging Center Phase II is on track for approval in late September with a launch kick-off of October 1<sup>st</sup>. This phase will include adding information on Deploy 360, Internet Leadership, Events, Regions, the link to Hubcast and incorporating the Digital Asset Management component. Phase III is planned for Q1 next year and targets external access for Chapters.*

#### **C3: Bolster the effectiveness and resources of ISOC as an organization**

*See detail under "Key Resource and Effectiveness Goal" slides.*

## Tracking our Performance: Q3 Achievements on Programmatic Goals – Objective D

Year-End  
Projection

### Objective D: Empowering people to achieve human potential through unencumbered Internet use

#### **D1: Advance the right people across the world to access and use the Internet on an open, non-discriminatory basis, respecting the rule of law**

- *ISOC successfully introduced the notion of the "open Internet" in a Resolution by the Human Rights Council on the "promotion, protection and enjoyment of Human Rights on the Internet". The Resolution, which was supported by more than 80 countries at the 20th session of the Council, affirms that the same rights that people have offline must also be protected online, and recognizes "the global and open Internet as a driving force in accelerating progress towards development in its various forms".*
- *We are on track to launch paper on Internet Protocols and Human Rights, develop a campaign for Human Rights Day 2012 (theme: inclusion and participation in public life), including Chapters' engagement, and issue paper for the series "Multistakeholder Internet Dialog" (MIND) on technical community's perspective on Human Rights issues.*

#### **D2: Empower individuals and communities, including the vulnerable and underserved, to maximize the transformative opportunities the Internet enables**

- *In the Asia Pacific Region, we supported APNG Camp, which builds and prepares the next generation of Internet community leaders in the Region. The Wireless India project on track to expand the Internet into rural and underserved communities; location assessment and network planning underway. Training workshops being scheduled for late Q3/Q4.*
- *Programs underway in Africa to invest or support 20 or more regional or local partnership projects to accelerate access and the societal benefits of the Internet in vulnerable and underserved communities, including Empowering Unemployed Youth with Internet Skills, Somalia; IPv6 Training for University and Service Providers, Zimbabwe; Cyber Espace Scolaire du Groupe Scolaire 3 de Lafiabougou Bamako, Mali; and, Improvement of Infrastructure in St Louis College Cisco Networking Academy, Nigeria.*

## 2012 Financial Forecast

Internet Society Statement of Activities and Change in Net Assets 2012 Forecast				
	2012 Forecast	2012 Budget	'12 Forecast vs. '12 Budget	2011 Actual
<b>Unrestricted Revenues (including IETF)</b>				
<b>Memberships and Contributors</b>				
Organization Membership/Platinum Contributors	\$ 1,553,000	\$ 1,700,000	\$ (147,000)	\$ 1,311,185
Individual Member Dues & Donations	70,000	90,000	(20,000)	10,740
<b>Memberships and Contributors</b>	<b>1,623,000</b>	<b>1,790,000</b>	<b>(167,000)</b>	<b>1,321,925</b>
<b>Sponsorships and Grants</b>				
IETF Sponsorships (incl new sponsorship opportunities)	1,123,793	966,000	157,793	1,052,695
Other Sponsorships and Grants	1,825,683	2,010,000	(184,317)	572,114
<b>Sponsorships and Grants</b>	<b>2,949,476</b>	<b>2,976,000</b>	<b>(26,524)</b>	<b>1,624,809</b>
<b>Registration and Fee Revenue</b>				
20th Anniversary Gala & Global INET Registrations	23,325	310,000	(286,675)	-
IETF Meeting Registration & Other Revenues	2,431,730	2,297,000	134,730	2,278,147
Other Registration and Fee Revenue	122,421	80,000	42,421	96,419
<b>Registration and Fee Revenue</b>	<b>2,577,476</b>	<b>2,687,000</b>	<b>(109,524)</b>	<b>2,374,566</b>
<b>PIR Contribution to ISOC</b>	<b>26,500,000</b>	<b>26,500,000</b>	<b>-</b>	<b>24,250,000</b>
PIR Restricted Funds Applied for Directed Use	500,000	1,000,000	(500,000)	-
<b>Total Revenues (UNRESTRICTED)</b>	<b>34,149,952</b>	<b>34,953,000</b>	<b>(803,048)</b>	<b>29,571,300</b>
<b>ISOC Department and Program Expenses (excl IETF)</b>				
<b>Departmental Expenses (Including Core Projects)</b>				
<b>Operations Group</b>				
COO & Support Functions	848,891	949,990	(101,099)	1,069,725
Regional Bureaus	4,538,687	4,923,402	(384,715)	3,279,303
Resource Development	883,804	1,168,943	(285,139)	781,730
Grants and Foundation Development	960,675	1,014,072	(53,397)	676,645
Endowments	130,000	40,000	90,000	-
Internet Leadership	2,155,111	2,156,997	(1,886)	1,500,920
Membership and Chapters	2,921,614	2,892,059	29,555	2,138,021
IT	1,899,796	2,142,088	(242,292)	1,739,750
<b>Subtotal Operations Group</b>	<b>14,338,578</b>	<b>15,287,550</b>	<b>(948,972)</b>	<b>11,186,094</b>
<b>Strategic Group</b>				
Standards and Technology	1,725,190	1,790,632	(65,442)	1,815,068
DoHub	1,295,983	1,483,140	(187,157)	489,967
Trust & Identity Department	1,267,920	1,409,688	(141,768)	1,118,651
Public Policy	2,694,179	3,013,452	(319,273)	2,394,494
Strategic Development	831,666	865,968	(34,302)	760,410
Comms (excl Global INET, Hall Fame)	4,496,205	4,264,128	232,077	3,358,074
<b>Subtotal Strategic Group</b>	<b>12,311,143</b>	<b>12,827,008</b>	<b>(515,865)</b>	<b>9,936,664</b>
<b>Total Departmental Expenses</b>	<b>26,649,721</b>	<b>28,114,558</b>	<b>(1,464,837)</b>	<b>21,122,758</b>
<b>Other Program Expenses</b>				
NDSS/Postel Service Award	96,800	80,000	16,800	86,307
Global INET/Hall of Fame Event (formerly Comms)	1,453,743	1,000,000	453,743	-
Internet Advertising Award	230,000	-	230,000	-
<b>Total Department and Program Expenses (excl IETF)</b>	<b>28,430,264</b>	<b>29,194,558</b>	<b>(994,294)</b>	<b>21,209,065</b>
<b>Standards Development Organization Contributions</b>				
IASA/IETF Expenses (excluding Capital)	5,247,000	5,408,000	(161,000)	4,874,452
Other Contributions - Standards Development Orgs	-	-	-	1,000,000
<b>Total Unrestricted Expenses</b>	<b>33,677,264</b>	<b>34,602,558</b>	<b>(1,155,294)</b>	<b>27,083,517</b>
<b>Net Operating Surplus (Deficit)</b>	<b>472,688</b>	<b>350,442</b>	<b>122,246</b>	<b>2,487,783</b>
<b>Other Revenue (Expense)</b>				
Interest/Other Misc. Revenue	400,000	400,000	-	198,511
Currency Fluctuations Income (Expense)	-	-	-	(138,137)
Interest/Other Income (Expense)	400,000	400,000	-	60,374
<b>ISOC Unrestricted Surplus (Loss) or Change in Net Assets</b>	<b>\$ 872,688</b>	<b>\$ 750,442</b>	<b>\$ 122,246</b>	<b>\$ 2,548,157</b>
<b>Balance in Unrestricted Net Assets, Beginning of Period</b>	<b>\$ 13,700,877</b>	<b>\$ 12,341,682</b>		<b>\$ 11,152,720</b>
<b>Balance in Unrestricted Net Assets, End of Period</b>	<b>\$ 14,573,565</b>	<b>\$ 13,092,124</b>		<b>\$ 13,700,877</b>
<b>Balance in Restricted Funds, Beginning of Period</b>	<b>\$ 2,210,000</b>	<b>\$ 2,210,000</b>		<b>\$ 2,160,803</b>
Restricted Funds Added	150,000	300,000		168,692
Less Restricted Funds Used in Support of IETF	(500,000)	(1,000,000)		-
Less Restricted Funds Used for Other Programs	(150,000)	(200,000)		(119,495)
<b>Balance in Restricted Funds, End of Period</b>	<b>\$ 1,710,000</b>	<b>\$ 1,310,000</b>		<b>\$ 2,210,000</b>